Huge Ottawa Spending May Force Tax Boosts

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Welfare, Public Debt Boost Estimates

OTTAWA (CP) — Record-smashing federal expenditures — which may force the government to take a new line on taxes or borrowings—were forecast as Finance Minister Fleming Thursday unveiled a $6,173,448,557 program for the new fiscal year opening April 1.

Driven upwards mainly by higher welfare costs and public debt charges, the big spending program, including both budget expenditures and old-age pensions, represented a $439,000,000 jump from original estimates for the current year.

WARTIME PEAK

It compared with the peak wartime spending of $5,300,000,000 in 1943-44 and, as initially set out, represented a doubling of federal outlays in the last decade.

The budget, usually presented in March, will show how the government proposes to raise revenues to meet its expenses.

Not included in the new estimates was a payment of $40,000,000 made to Prairie grain-growers this year under the special $1-an-acre subsidy.

JOINT REASONS

Mr. Fleming said that in planning its 1959-60 spending program "the government sought, within the limits of controllable expenditure, to restrain inflation while at the same time assisting employment and the development of resources."

His "blue book" of estimates for 1959-60 included a record $5,595,848,557 chargeable to the new budget, up from the original $5,179,343,555 forecast for this year, and $577,600,000 for old-age pensions, up from this year's $555,000,000.

SIZABLE DEFICIT

Mr. Fleming has forecast a record peacetime budget deficit of $700,000,000 for this year. Even with indications of a rising economy, it would appear he will face prospects of a sizable deficit for 1959-60, requiring heavy new federal borrowings unless taxes are boosted.

Heavy federal borrowings in the current fiscal year have been sharply criticized by business leaders as highly inflationary since these loans involved a sharp rise in the country's money supply.

The 1959-50 estimates tended to de-emphasize defence spending and public works. Total welfare payments, including pensions, were estimated to rise to a peak of $1,724,400,000, up $217,900,000 from this year and higher than the entire defence spending of $1,695,000,000 which was down $72,000,000 from this year. As a proportion of all federal spending, the defence bill was estimated to drop to 28 per cent from 32.

Works department spending was forecast at $221,700,000, down $14,900,000 from this year.

climbing to $815,700,000 from

With more provinces joining the national hospital insurance scheme, the government's 50-50 contributions with the provinces were estimated to increase to $160,000,000 from $60,000,000.

Family allowances would increase by $25,000,000 to $495,000,000 with over-all health department estimates $618,100,000.

The federal share of old-age assistance to the needy between 65 and 69 is expected to rise by $2,700000 to $32,500,000.

FINANCE MINISTER FLEMING
. . . unveils vast spending program

Purchase or Cancellation?

Arrow Millions Give No Pointer

OTTAWA (CP)—A sum of $50,000,000 for the Arrow interceptor is contained in estimates of 1959-60 government spending.

But, officials explained, this does not mean that the government has decided to order production of the supersonic jet.

The $50,000,000 may be applied to further development and procurement of the plane if the government next month decides to buy it, or against the cancellation fee if the administration cancels the program.

The gross estimate for the 1959-60 defence budget is $1,695,000,000, or $72,000,000 less than the gross estimate for the fiscal year ending next March 31.

Amounts for equipment in the armed forces have been slashed by $105,000,000 and the amount for development by $34,000,000. But estimates for construction of buildings and works are up by $20,000,000 and for operations and maintenance by $47,000,000.

The big reduction in equipment is accounted for mainly by an $82,000,000 slash in procurement of aircraft for the RCAF. Both the CF-100 and Sabre jets went out of production last year.

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Critics Fling Jibes

OTTAWA (CP) — Opposition spokesmen jibed at the Progressive Conservative government Thursday for not following through on statements it made while in opposition about cutting government spending.

Both Opposition Leader Pearson and CCF House Leader Argue, speaking after Finance Minister Fleming tabled a record spending program for next fiscal year starting April 1, referred to Conservative speeches some years ago that $500,000,000 could be cut from government expenditures.

Mr. Pearson said Mr. Fleming's statement that $39,100,000 had been cut from controllable expenditures for 1959-60 was "a very small amount indeed" compared with $500,000,000.

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TUESDAY, WEDNESDAY and THURSDAY **Feb. 17-18-19**

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CALGARY via EDMONTON	34.90	39.65
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*Good in reclining Coach Seats. †Good in Tourist Sleepers on payment of berth fares.

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Watch for Bargain Fares effective March 17, 18, 19.

CANADIAN PACIFIC CANADIAN NATIONAL

Tax Payment Decision

Bigger Share for B.C.

OTTAWA (CP)—Although no changes are planned in tax-sharing arrangements between federal and provincial governments, Finance Minister Fleming indicated Thursday that six provinces can expect a cut in the amount of their tax-share payments from the federal treasury.

Increased payments to the other four provnces—Ontario, Quebec, British Columbia and Prince Edward Lsland—were listed in spending estimates for 1959-60 tabled in the Commons by the minister.

An official said the forecast changes in payments to individual provinces in the year starting April 1 are due to population factors and to the yield in each province of the taxes on which the payments are based.

Total tax-sharing payments are expected to rise only slightly, by $1,174,000, to $432,088,000.

Counting other types of federal payments to the provinces, total payments are expected to be roughly unchanged at $462,500,000.

Under the tax-sharing agreements, provinces may receive 13 per cent of federal personal income taxes collected in the province, nine per cent of taxable corporation income and 50 per cent of the federal inheritance tax.

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Debt Interest Expected To Leap $106,254,000

OTTAWA (CP) —The cost of carrying Canada's fast-climbing national debt is expected to jump by $106,254,000 in the coming fiscal year, Finance Minister Fleming said Thursday.

He estimated the cost of public debt charges will rise to $680,071,000 from the $573,817,000 forecast for the current fiscal year ending March 31.

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Where Money Will Be Spent

OTTAWA (CP) — Analysis of 1959-60 main federal spending estimates tabled in the Commons by Finance Minister Fleming, 1958-59 estimates in brackets:

Agriculture $106,096,852 ($138,240,959); atomic energy $32,092,300 ($28,147,119); auditor-general $895,010 ($868,790); Board of Broadcast Governors $200,000 (——); CBC $69,641,975 ($61,964,040); chief electoral officer $117,920 ($116,205); citizenship and immigration $57,107,730 ($55,294,142); civil service commission $3,661,089 ($3,521,771);

Defence production $11,913,620 ($9,894,086); crown companies $6,477,525 ($6,164,486); external affairs $80,825,001 ($76,159,733); finance $1,261,434,605 ($1,154,153,393); fisheries $19,544,777 ($19,814,331); governor-general and lieutenant-governors $431,064 ($428,188); insurance $694,441 ($632,198); justice $7,996,496 ($7,691,288); penitentiaries $19,338,708 ($16,815,479); labor $15,980,240 ($13,590,343);

Unemployment insurance $74,754,000 ($72,848,934); legislation $7,688,024 ($7,674,804); mines and technical surveys $36,066,205 ($29,742,151); Dominion coal board $12,211,275 ($10,760,645); defence $1,680,194,006 ($1,687,212,189); National Film Board $4,555,736 ($4,258,918); national gallery $904,640 ($658,600); health and welfare $1,393,340,528 ($1,173,123,335); civil defence $7,220,817 ($7,027,721);

National Research Council $30,133,580 ($25,992,204); national revenue $72,611,846 ($71,888,641); northern affairs-resources $85,787,577 ($77,932,478); post office $163,581,965 ($162,398,824); Privy Council $7,461,438 ($6,138,713); public archives $542,870 ($582,826); national library $228,279 ($222,591); public printing $3,501,250 ($3,483,284); public works $221,710,496 ($236,610,789);

RCMP, secretary of state $4,472,803 ($4,139,951); trade $64,077,970 ($67,016,771); transport $229,014,152 ($225,240,031); air transport board $369,285 ($337,179); transport commissioners $23,201,773 ($23,127,292); Maritime commission $5,706,988 ($5,769,153); harbors board $4,295,114 ($6,529,244); veterans' affairs $291,592,484 ($293,369,725).

Totals $5,595,848,557 ($5,295,615,643).

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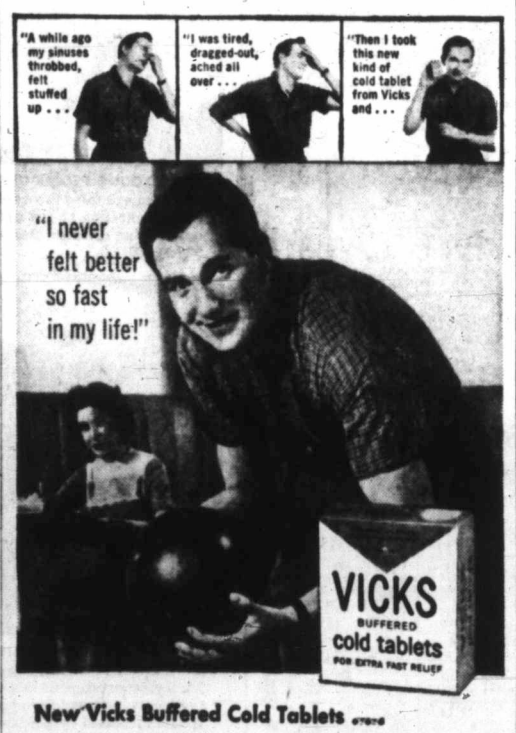
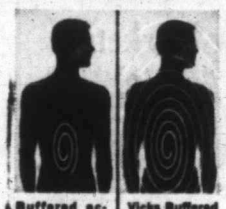


New Vicks Buffered Cold Tablets stop
buffered to relieve colds, sinus pain extra fast!

1. **Buffered formula proved extra fast!** Laboratory tests at a famous university proved that new Vicks Buffered Cold Tablets speed cold-and-sinus pain relievers out of your stomach all through your body extra fast.
2. **Helps drain sinus cavities, clear nasal congestion . . . relieves fever, headaches.** New Vicks Buffered Cold Tablets not only reduce fever, relieve headaches . . . special decongestants relieve nasal congestion, help drain clogged sinus cavities.
3. **Picks you up fast when you must keep working.** Stimulating medications relieve that tired, dragged-out feeling of a cold . . . help you feel more alert.

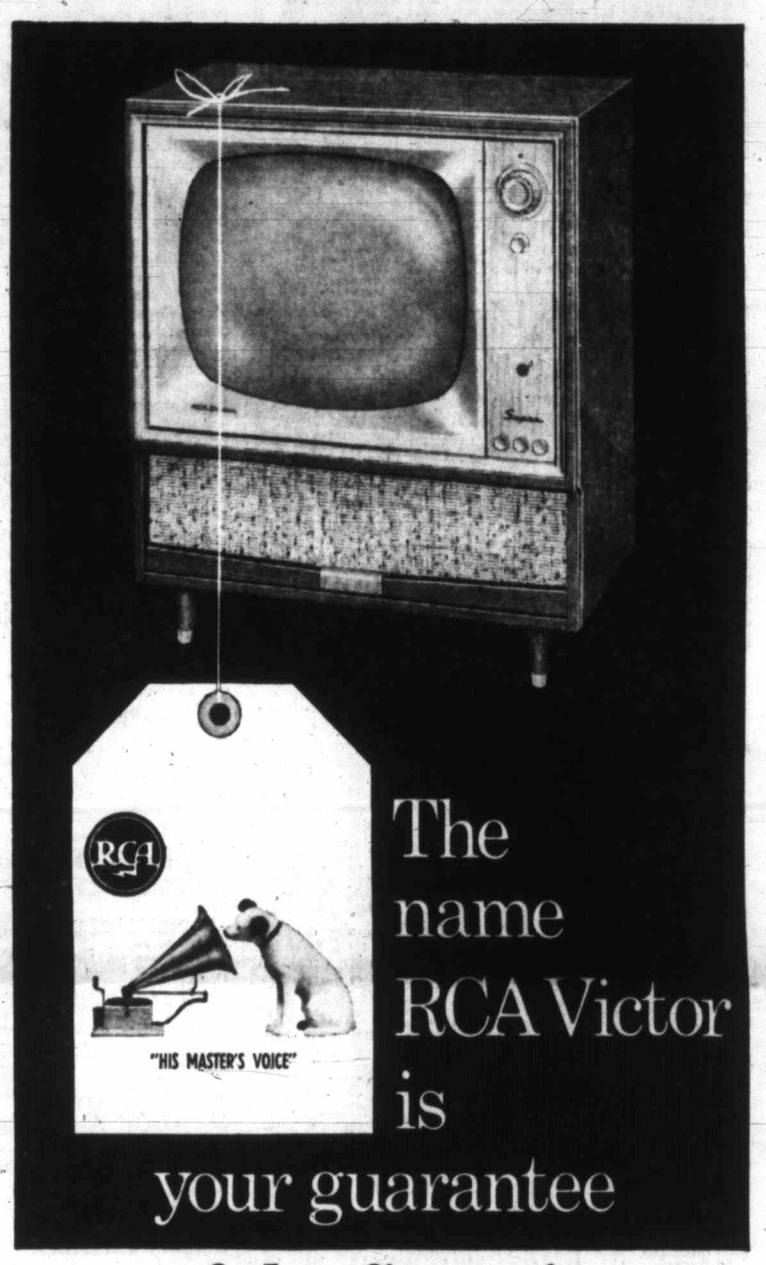
How Vicks Buffered Cold Tablets Work:



Buffered action helps to speed medication out of the stomach into your body's bloodstream to relieve painful cold-and-sinus miseries.

Vicks Buffered Cold Tablets have *two* buffers that speed medication all through your body to relieve painful cold-and-sinus miseries *extra fast.*

NEW VICKS BUFFERED cold tablets



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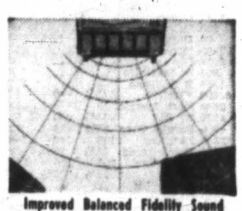

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